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Agenda Item 5

October 18, 2011

TO: MEMBERS OF THE HEALTH BENEFITS COMMITTEE

- I. **SUBJECT:** Anthem Blue Cross Innovations Update
- II. **PROGRAM:** Benefit Programs Policy and Planning
- III. **RECOMMENDATION:** Information
- IV. **ANALYSIS:**

Anthem Blue Cross (Anthem) is the Medical Third Party Administrator (MTPA) for the CalPERS Preferred Provider Organization (PPO) self-funded Health Plans: PERS Select, PERS Choice and PERSCare. Contractually, Anthem provides CalPERS core services including; Operations, Customer Service, Medical Management, Behavioral Health, Provider Network, Wellness and Disease Management. Today, Anthem will present an overview of the current services and innovations they provide by outlining the member interactions which result in over eight million member touches annually (Attachment 1).

During Anthem's tenure they have demonstrated their commitment to collaborate with CalPERS staff to provide innovations such as Value Based Purchasing (Hips and Knees) and Value Based Sites of Care (arthroscopies) resulting in high efficient quality of care for members and reduction in health care trend costs. In 2012 and 2013, Anthem will continue to expand upon collaborative efforts with CalPERS staff to manage the PPO program to maximize member services, minimize plan costs, and expand innovative programs that deliver access, quality, cost control, member satisfaction, and a sustainable member health care relationship.

Innovations included in the overview will highlight such services as Narrow Efficient Provider Networks, Anthem Care Comparison transparency tool, Patient Safety, Telemedicine, Ambulatory Intensive Care Unit and the continued evolution of value-based programs through not only benefit programs but also provider relationships such as Accountable Care Organizations.

This agenda item is intended to demonstrate the collaborative work and innovative partnership programs between CalPERS and Anthem which contribute to effective management of the self-funded PPO health plans. The innovations are reflective of commitment between the two parties to address the ever evolving health care environment post health care reform.

Next Steps:

CalPERs staff will continue to collaborate with Anthem to develop and refine innovations and report progress to the Health Benefits Committee.

V. STRATEGIC GOALS:

This agenda item supports CalPERS Strategic Goal 12: “Engage and influence the healthcare marketplace to provide medical care that optimizes quality, access, and cost.”

VI. RESULTS/COSTS:

This is an information item only.

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Benefit Programs Policy and Planning

Attachment